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NO CHANGE in Class. ☐
 X DECLASSIFIED
 Class. CHANGED TO: TS S
 DDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763
 Date: 31 MAR 1978 By: 011

CONFIDENTIAL
CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

COUNTRY Egypt

SUBJECT Abbas Halim's Labor Party

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ORIGIN
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 order of 10 October 1978 from the
 Director of Central Intelligence to the
 Archivist of the United States.
 Next Review Date: 2008

DATE: INFO. 30 October 1946
DIST. 10 December 1946
PAGES 3
SUPPLEMENT 25X1A2g

Division of the Labor Party

1. After remaining dormant for many years, Prince Abbas Halim's Egyptian Labor Party (Al-Hizb al-Ummal al-Masri) has revived, with a bid for a higher rank and more prestige in the political structure of the country. During the period of its inactivity the Prince had nominally retained the Presidency of the Party, relegating its administration to a few of his associates. These were unemployed, self-appointed labor leaders who misused the Party funds and abused the tolerance of the Prince. The lack of real leadership often led to disputes, until a break occurred in the ranks, separating the Party in two sections. Sa'id Qandil's faction*established a labor organization of its own, while Khamil Izz-al-Din remained loyal to the Prince (Izz-al-Din is secretary of the Misr Airport Workers' Union).

Sa'id Qandil's Labor Organization

2. Under the direction of Sa'id Qandil, this labor unit quickly expanded, gathering around it all the dissatisfied elements of other labor groups. Meetings took place, and a program of activities was provided to the membership. Because of Qandil's pro-communist contacts, the government watched uneasily the growth of his labor organization until he was arrested in the big communist drive of July-August 1946.
3. Upon release from prison in September 1946, Qandil cautiously resumed his labor activities. Weakened by the blow at communism and finding himself unprotected, he then approached the Wafd, which lent him support and financial assistance.

Abbas Halim's Labor Party Expands

4. Entrusted with guiding the remnants of Abbas Halim's Labor Party, Khamil Izz-al-Din warned the Prince that, in order to salvage his unit from the wreckage, he must secure and accept the collaboration of experienced labor organizers. Heeding this advice, the Prince reestablished old labor ties with Abd-al-Rahman al-Biyali, Minister of Finance who was for a time in 1941 the President of the Egyptian Socialist-Labor Party (Al-Hizb al-Ishtiraki al-Masri).

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5. Al-Biyali and Abbas Halim enlisted the advisory services of Abd-al-Hamid Abd-al-Haqq, one time Wafdist Minister of Social Affairs, and secured the active collaboration of the following labor-minded individuals:
 - (a) Muhammad al-Damirdash al-Shindi, wealthy Alexandria deputy, experienced in labor's affairs;
 - (b) Mahmud Sa'id, teacher, known for his socialist outlook;
 - (c) Dr. Muhammad Mazhar Sa'id, socialist philosopher.
6. Abbas Halim's expanded Labor Party was officially inaugurated on 17 October 1946^{**} with a nominal membership of about 1 million laborers and farmers. This membership is presumably composed of a large number of syndicates which were simply transferred on paper to the new Labor Party. Muhammad al-Damirdash al-Shindi alone contributed his collection of 192 syndicates representing 100,000 laborers in Alexandria. The Prince himself brought all the supposedly existing syndicates within the General Union, which was originally organized under the Wafd leadership, to the new Party. In most cases not even syndicate leaders were notified of the change affecting their labor units, while the vast majority of the rank and file still remain completely in the dark on the developments.
7. The Labor Party was thus reorganized supposedly along the same lines as the Labor Party in England. Branches for administrative purposes are at present in process of organizing in each province and governorate. That in Alexandria is the most powerful, with its existing machinery already in operation under Muhammad al-Damirdash al-Shindi. Labor representatives of the Party are currently preparing to be candidated in the forthcoming Parliamentary elections, and the Party is expected to make a bid for gaining supremacy among the political parties.
8. A High Administrative Council enacts and directs the policies of the Party. It is composed of 27 persons, 19 of whom are presidents and leaders of the more important labor syndicates, including Khamil Izz-al-Din. The remaining eight are:

Prince Abbas Halim, Chairman
 Abd-al-Rahman al-Biyali, President
 Muhammad al-Damirdash al-Shindi
 Dr. Zaki Shafi'i Bey
 Mahmud Sa'id
 Husayn Allam
 Dr. Muhammad Mazhar Sa'id
 Lady Niamat Fahmi

Sidqi Encourages the Prince

9. Isma'il Sidqi quickly subscribed to Abbas Halim's intention of expanding the Labor Party, promising unmolested freedom of action for the development of his plan. The Prime Minister foresaw possibilities of dealing a further blow to the Wafd, because the Wafd is popularly believed to enjoy the support of the majority of the fellahin and the laborers.

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The new Labor Party could possibly serve to make inroads in the labor-fellah following of the Wafd and counterbalance it in the forthcoming elections. It could also be used to neutralize effectively the coalition of communist-inspired labor groups.

10. It may well be that, by allowing the Labor Party to develop into a full-fledged political machine, Sidqi hopes to assume its leadership some day, when he will no longer be the Prime Minister.

Wafd and Opposition Reactions

11. The Wafd, cognizant of the unfavorable implications of the growth of Halim's Labor Party, has started a strenuous campaign against it. With the assistance of the Kutlah it is attacking the Abbas Halim-Biyali partnership on the grounds that the law does not allow the workers' syndicates to participate in political activities, or to gather under one political organization.
12. In spite of this, the government is tolerating every move of the Labor Party, allowing even communist-inclined individuals to carry on their work within the frame of the Labor Party. The Party, therefore, is growing stronger, further threatening the existence of the Wafd.

Lord Stansgate Informed of Abbas Halim's Plans

13. Just before his departure, Lord Stansgate received Abbas Halim at Antoniadis Palace and was informed of the Prince's project. Abbas Halim described his desire of emulating the Labor Party in England of which the Lord is a member, and stated his intention of candidating members in the next Parliamentary elections. The exaggerated extent of the Prince's ambitions much amused the Lord, who laughed and wished him luck, remembering no doubt the light-hearted nature of the Prince.

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Comment: [redacted] disseminated on 2 December 1946, reports that Fuad Sirraj-al-Din Pasha, Wafdist, is sponsoring Sa'id Qandil's party.

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Comment: [redacted] disseminated on 29 November 1946, is concerned with the initial meeting of Abbas Halim's Party; the speakers at this meeting; statistics relating to membership; and the names of the candidates for the High Committee of the Party.

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